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Office of Current Intelligence

CENTRAL INTELLIGENCE AGENCY

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EASTERN EUROPE

1. Belgrade and Rome publicize Albanian resistance activities: Yugoslav press and radio reports of resistance activity in Albania have been increasing in number and length during August. During July, Belgrade began to broadcast frequent reports of the Hoxha regime's terrorist acts against the Albanian people. In August, references to the situation there became more frequent and shifted the emphasis to increasing and violent resistance. These reports allegedly come from Albanian refugees, who are described as fleeing to Yugoslavia in growing numbers.

The Rome radio, during August, also has made more frequent references to fighting between Hoxha's forces and resistance elements. These reports apparently came through Albanian exiles in Italy. [REDACTED] S Rome, MAR-2480, 26 Aug; R FBIS, June, July, Aug 52)

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Comment: The changing volume and nature of Yugoslav reports seem to reflect Yugoslav motives rather than an actual and sudden change in the nature of Albanian resistance. It is possible that the reports from Italy were planted by the Yugoslavs. Recent reports from other sources, however, indicate that a revolt or coup against the regime has become increasingly likely.

2. Czech agricultural workers required to register: Czech agricultural workers were required to register before their local National Committees on 10 August. Separate registers were set up for the socialized and the private sectors. Private farmers were classified according to the amount of land owned. (S Prague Weeka 33, 15 Aug 52)

Comment: This registration of agricultural workers coincides with the sharply increased pressure on collectivization noted since the beginning of the harvest. By means of the register the government will be able to weed out kulaks more effective-

SECRET

SECRET

ly and to use fear of further repressive measures to force the remaining independent farmers to join cooperatives.

3. Last two newspapers of Hungarian Smallholders Party suspend publication: The last two Hungarian newspapers which had been connected with the Smallholders Party suspended publication this month, according to the US Legation in Budapest. One of them, the Kis Ujsag, was formerly the leading Smallholders Party daily, while the second was a weekly once associated with the party. (R Budapest 188, 27 Aug 52)

Comment: The suspension of these newspapers is another step in the abolition of the last remnants of the facade of a coalition government and party in Hungary. The last important newspaper with a Socialist background disappeared in April.

Meanwhile, the official Communist Party publication Szabad Nep has come out as a daily paper in full-size Pravda-like format.

4. Rumanian youth leader relieved: The eighth plenary session of the Central Committee of the Rumanian Union of Working Youth relieved Gheorghe Florescu from his position as First Secretary on 22 August. Since he had "received other duties," he was replaced by Vasile Musat. Another secretary, Florea Chitzu, was elected at the same meeting. (R FBIS [REDACTED] 27 Aug 52)

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Comment: Florescu, now 43, was top leader of Rumanian youth organizations even before their amalgamation into the Union of Working Youth in March 1949. In January 1950 he was also elected to the Organizational Bureau of the Rumanian Workers' Party. Since he weathered the recent purge, when three other secretaries of the youth organization were ousted, and retained his seat on the Orgburo, it is likely that he is now devoting full time to duties with the Rumanian Workers' Party.

Musat and Chitzu have been members of the Central Committee of the Union of Working Youth since 1949. Musat, also an active "Peace Partisan," was elected Secretary on 19 June 1952 when the three secretaries were purged. He was spokesman for "the young builders of the Ovidiu II power plant" on 18 August when it was put into operation.

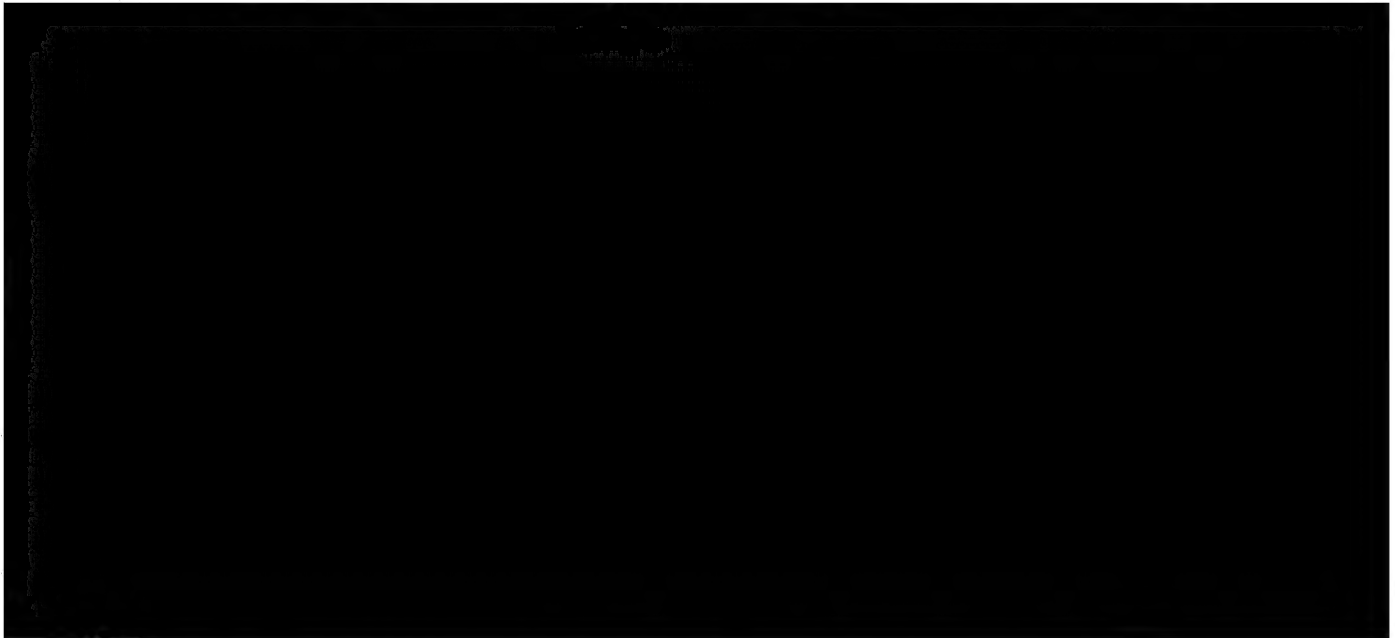
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8. ^{25X1X} Military problems in Korea alleged responsible for Moscow
^{25X1X} talks: [REDACTED]

[REDACTED]
 asserts that the Council instigated the current Sino-Soviet talks in Moscow in order to solve "pressing military problems." These include the "hopeless" military situation in Korea, "tremendous" casualties, and the "apathetic attitude" of the troops. [REDACTED]

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^{25X1X}
 Comment: [REDACTED]

[REDACTED] this information should be regarded "with reserve."
^{25X1X}

The Chinese Communist military position in Korea is not, as the source claims, sufficiently precarious to necessitate dispatching a mission to Moscow. In any case, Sino-Soviet negotiations relating to the Korean conflict have been conducted covertly. In contrast, the publicity given the Chinese delegation on arrival suggests that the talks are concerned with long-range Soviet aid which can be publicized as a Soviet contribution to "peaceful construction."

^{25X1X}

9. Cargoes accumulating in Chinese warehouses: [REDACTED]

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[REDACTED]
 report that large accumulations of cargoes are choking Tientsin's storage facilities.

SECRET

SECRET

While trade inactivity during the anti-vice campaign may be responsible for part of this accumulation of goods, the American Consul General in Hong Kong believes that the shortage of transport space is a contributing factor. The mission of one of the travelers in Hong Kong is to charter ships on behalf of the Polish, Czech, and Hungarian trade missions in North China. (S Hong Kong 462, Joint Weeka 34, 22 Aug 52)

Comment: Sufficient Communist-flag shipping has not been available to move all the cargoes earmarked by the Chinese for the trade with East Europe, and the charter of Western-flag ships is necessary. The trade with East Europe has increased spectacularly over the past two years, with the flow of goods each way now running at possibly twenty times the rate in 1950.

SOUTH ASIA

10. Dusting sulphur apparently available for Ceylon rubber trees despite American embargo: A Ceylon Planters Association official stated on 25 August that "vast amounts" of sulphur apparently are available. Some planters have already placed orders in spite of high prices and the American embargo. The Ceylonese Minister of Agriculture, who recently proposed mandatory dusting of all rubber trees, estimated requirements at 6,000 tons for an over-all dusting job.

Italy is permitting export of 2,000 tons of sulphur to Ceylon, but will stop further shipments. France recently allowed shipment of 48 tons after assurances it would be blocked. The French Foreign Office on 25 August reassured American authorities that further shipments would be stopped.

Several hundred tons of Canadian sulphur is being shipped to Ceylon, but the State Department has received embargo assurances for the future. (S Rome 854, 27 Aug; C Paris 1187, 25 Aug; C Colombo 84, 25 Aug; C Colombo 70, 15 Aug 52)

Comment: There are indications that dusting sulphur is getting through to Ceylon in sufficient quantities to threaten the effectiveness of the American embargo, which is designed to discourage Ceylon rubber shipments to Communist China. The willingness of planters to pay premium prices for dusting sulphur and the proposal of the Minister

SECRET

SECRET

of Agriculture for mandatory dusting suggest that the rubber trees are in immediate need of sulphur treatment and that the rubber industry may be severely damaged if dusting is delayed.

NEAR EAST - AFRICA

11. Turkish Confederation of Labor to hold first meeting:
The Turkish Confederation of Labor is scheduled to meet at Izmir on 6 September. Irving Brown of the American Federation of Labor reportedly will attend. (C Ankara TOMUS 129, 20 Aug 52)

Comment: Turkish unions and membership have more than doubled under the present Democratic Party regime. This first meeting on a national level represents a significant step in the growth of Turkish trade unionism.

12. Britain less fearful of extremist influence in Egypt:
The British Foreign Office, despite its earlier fears, now considers it unlikely that the extremist Moslem Brotherhood and the left wing of the Wafd Party in Egypt will reach an understanding. The British also seem more doubtful that the Brotherhood intends to transform itself into a political party.

The Foreign Office believes nevertheless that the Egyptian situation, although quiet for the moment, is likely to remain unstable until General Nagib's relations with his subordinates and with the politicians are more clearly defined. (S London 1125, 27 Aug 52)

Comment: Two weeks ago the British Government seized upon increasing evidence of the Nagib regime's stability to announce the release to Egypt of certain military equipment, not, however, including arms.

Indications are that the Nagib clique has some ties with the Moslem Brotherhood, but that relations between the army and the Wafd are not good.

SECRET

SECRET

13. South African High Court of Parliament rules against the mixed-breed voters: The South African High Court of Parliament on 27 August reversed an Appellate Court ruling on the Separate Representation of Voters Act. The High Court accepted the report of its Judicial Committee affirming that parliament alone is competent to decide the procedure to be followed for enactment of any law. (C Pretoria 53, 28 Aug 52)

Comment: By establishing a High Court of Parliament, the government is challenging the judicial system of South Africa and making parliament the judge of its own acts. If the government is able to change the mixed-breed voters' electoral roll by a bare majority vote instead of the previously required two-thirds parliamentary majority, the opposition may be deprived of several crucial seats. The opposition also fears that this overriding of the constitutional provisions may endanger the status of the English language, which is similarly protected. The validity of the High Court act itself is currently being tested by the Supreme Court.

SECRET

SECRET

WESTERN EUROPE

14. Revival of carbonyl iron production reported planned for East Germany: A EUCOM Intelligence Report states that the East Germans are constructing a plant for the production of carbonyl iron powder at the Chemiewerk in Leuna. If services of two West German carbonyl iron powder experts are secured, production is expected to begin late this year. [REDACTED]

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Comment: Carbonyl iron powder is the major component of a radar-absorbent coating for submarines. It is used as core material in high-frequency transformers for electronic equipment, and also as a substitute for tetraethyl lead in the treatment of gasoline.

About 200 tons of carbonyl iron powder were produced monthly after the outbreak of the last war at a plant at Doeberitz/Gapel, between Brandenburg and Rathenow. This plant was dismantled in 1945 and all equipment and technical data were shipped to Russia.

The current effort to revive manufacture of this material in East Germany may indicate that the equipment removed from Doeberitz/Gapel has become unserviceable, that the Russians lack the know-how to put or maintain the plant in operation, or that output from this plant is insufficient to satisfy Orbit requirements.

15. [REDACTED]

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16. NATO plans threatened by limitations on US Air Force in France: The NATO build-up will be seriously affected if the French Government persists in enforcing the present 21,000-man ceiling for the US Air Force in France, according to the American Embassy in Paris. The Foreign Ministry has just informed the Embassy that the government plans to maintain current restrictions until the United States Senate ratifies the French-American status-of-forces agreement.

Since NATO plans call for 40,000 men of the US Air Force in France by spring, a Foreign Ministry representative has agreed to seek a relaxation of his government's stand. This change in position would be based on an exchange of notes with the United States designed to meet possible criticism in the National Assembly. (S Paris 1240, 27 Aug 52)

Comment: While the French Government's concern over this matter seems based in part on domestic political considerations, its current evasiveness on the whole question of the air-base agreement suggests that it hopes to bargain wherever possible for additional American financial assistance.

17. Paris Embassy comments on French-American difficulties: The American Embassy in Paris states that among the problems which it sees as seriously complicating French-American cooperation, the most important concern the French 1953 defense effort, particularly in its financial aspects.

Other issues noted by the Embassy as causing difficulty include such matters as port charges, procedural delays encountered in obtaining land, taxation of US military personnel in France, and opposition to the establishment of short-range radio relay stations. (S Paris 1200, 25 Aug 52)

Comment: Early in August the American Embassy reported that French-American relations were entering a difficult period because of differences over armament production financing. The trouble has arisen from the French Government's imprudence in programming and from the prolonged misunderstandings and misrepresentations about the nature of American assistance.

SECRET

SECRET

18. Dutch will demand British financial controls on East-West trade: The Dutch delegate will insist at the September meeting of COCOM that Britain impose controls on the financing of East-West trade. He promises documentation proving that the majority of deals in strategic commodities with Eastern Europe involve British firms.

The Dutch will not insist on American financial controls, since they believe that very few American firms finance such trade. They do desire a simple regulation by the Department of Commerce or Treasury prohibiting certain sales. (S The Hague 282, 27 Aug 52)

Comment: The Netherlands conditions its acceptance of a Belgian proposal made last February for the licensing of transshipments on the adoption of adequate financial controls by other countries.

Britain cannot broaden its present financial control measures to include security considerations so long as banks other than the Bank of England are allowed to grant foreign exchange authorizations. The British intention to use sterling as widely as possible in international trade precludes the withdrawal of such authority from these banks.

19. Britain suggests delay in Council of Europe link with coal-steel community: A high British Foreign Office official has suggested that the plan sponsored by Foreign Secretary Eden for bringing the coal-steel community under the aegis of the Council of Europe be set aside until the new organization has been operating for some time, according to the chairman of the Schuman Plan High Authority. (R Paris POLTO 204, 26 Aug 52)

Comment: In view of the determination by Italy, France, and Germany to proceed with the establishment of an independent coal-steel community, efforts to assert Council of Europe control over the community have little chance of success even with British support.

This reported shift in British views is a further indication of Britain's increasing willingness to accept the fact of Continental integration.

20. Britain seen alerted on French "anti-Communist" organization: The British Foreign Office regards Fighting Democracy, the French-

SECRET

SECRET

led "anti-Communist" organization, as a potentially useful group only if reliable people can be enlisted to replace certain "dubious elements." The American Embassy in London believes that the British Government is capable of preventing the organization from becoming dangerous in the United Kingdom.

The Embassy states that any aggressive American action against Fighting Democracy would be interpreted in Western Europe as vindictive antagonism to anything less than unquestioning support for the American position. (S London 1124, 27 Aug 52)

Comment: The Embassy in London stated on 5 August that it considered British labor support for Fighting Democracy as doubtful. There is no confirmation or denial of the report that French labor leader Leon Jouhaux, who may be a tool of fellow travelers in Fighting Democracy, will speak at the British Trades Union Congress beginning 1 September.

21. Denmark's failure to follow COCOM consultation procedures criticized: Denmark's failure to consult with COCOM prior to giving final approval to the delivery to Poland of the five trawlers provided for under the June trade agreement has aroused the criticism of the other COCOM members.

The Belgian delegate informed the US representatives that unless Denmark gives more adequate assurances of future consultation in accordance with the COCOM agreement, the Belgian Government would prefer Danish withdrawal. (S Paris 1007, 26 Aug 52)

Comment: The Danish statement that these trawlers are old ships with little strategic value has not been questioned in COCOM.

Earlier this month Denmark similarly took unilateral action in shipping strategic bismuth compounds above the established COCOM quotas.

LATIN AMERICA

22. Arrest of Orthodox Party opposition leader ratified by court: The Urgency Court of Havana has ratified the imprisonment of Emilio Ochoa, national leader of the Orthodox Party, on charges including conspiring against the Cuban Government. The court stated that Ochoa was preparing a revolution for 4 Sep-

SECRET

SECRET

tember involving civilians and retired members of the army. (R
FBIS [REDACTED] 27 Aug 52)

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Comment: Ochoa was arrested on 24 August immediately after a television program in which he hinted that President Batista would be overthrown before next year's November elections, accused Batista of embezzling public funds, and otherwise criticized the present regime. Since then Pardo Llada, Roberto Agramonte, and other prominent Orthodox leaders have been arrested on charges of illegal assembly and conspiracy against the state.

The Orthodox Party probably has more members than any other Cuban political party. Its candidate, Roberto Agramonte, reportedly stood a good chance of winning the 1 June presidential elections which were prevented by the 10 March coup.

The continued arrests and detention of both civilian and military personnel on conspiracy charges attest to Batista's uneasiness as to the security of his regime.

SECRET